



Hudson Economic Development Assessment



Nashua Regional Planning Commission



Town of Hudson, NH

June 12, 2018

Introduction

The Town of Hudson wishes to enhance its economic development efforts with a primary goal of increasing its tax base. A key element of an effective strategy is an analysis of the potential benefits versus impacts of differing types of commercial and industrial development as well as the potential for future expansion of business and industrial uses. To assist policy makers, this report includes an analysis of existing business and industrial areas as well as future development potential.

This assessment of development potential in Hudson's business, industrial and general zones is based on an analysis of vacant and underdeveloped properties overlain with natural and man-made development constraints together with consideration for the availability of critical infrastructure including highway access and public water and sewer. These factors were evaluated within the context of broader economic conditions and market trends. NRPC surveyed Hudson's existing commercial and industrial districts and other areas with commercial and industrial expansion potential during the winter and spring of 2018 both in the field and by utilizing Geographic Information Systems (GIS) technology. In addition, interviews were conducted with commercial real estate brokers, developers and other development professionals to establish a deeper understanding of current trends in commercial and industrial property development. Recognizing that traffic is a critical issue in many of Hudson's busiest commercial districts, traffic counters were also placed in key areas to measure traffic volumes and estimate future trip generation.

Regional Economic Climate

Economic conditions in New Hampshire, the Nashua region and Boston metro area are strong. Currently, demand in the region is strongest for industrial space with particularly high demand for large footprint (500,000 sq. ft.+), high bay warehousing and distribution space. In the first quarter of 2018, Warehouse/Distribution rents in the Nashua submarket (which includes Hudson) increased to \$5.82 per sq. ft. over the prior quarter, the largest increase in the state (Colliers International NH Industrial Trends). Overall industrial lease rates were \$6.39 per square foot. With a total of 19,234,616 sq. ft., the Nashua area market has by far the largest concentration of industrial space in the state with an overall vacancy rate of 6.83%. The combination of low vacancy rates and increasing lease rates is likely to stimulate demand for new construction.

The market for office space in the region is less strong. Nashua market area currently market offers 3,555,209 square feet of office space. The vacancy rate for the area's office market stood at a relatively high 13.24% and rents have essentially remained flat at an average asking rate of \$14.02 per square foot. Recent projections indicate that vacancy rates and rents will remain close to current rates in the near future; an indication that new office space construction will be limited. Demand for new retail space, especially regional retail, is also expected to be limited with few new entrants into the market and several significant facility closures, both recent and pending, impacting the market.

Hudson's Economic Climate

Over the past few decades, the Town of Hudson has emerged as a major economic engine for the southern New Hampshire Region. As stated in the Town's 2006 Economic Development Master Plan chapter, "Hudson has evolved into one of the Nashua region's major employment centers over the past few decades as the number of jobs and the amount of non-residential development has increased considerably." Today, approximately 19.1% of Hudson's land area is commercial land and buildings.

While retail uses in Hudson are scattered along NH 3A (Lowell Rd), within the Hudson Mall, and on NH 102, there are several discrete industrial regions in the Town. Going north to south, these areas include the Continental Paving and its immediate vicinity on NH 102, the Brox Industries on Greeley St, the Clement Industrial Park along NH 111, the Sagamore Industrial Park off of NH 3A, and the BAE compound on the Massachusetts border.

Annual Average Covered Employment	2006	2016
Goods Producing Industries		
Average Employment	5,239	4,119
Average Weekly Wage	\$1,158	\$1,481
Service Providing Industries		
Average Employment	4,871	5,252
Average Weekly Wage	\$657	\$837
Total Private Industry		
Average Employment	10,110	9,371
Average Weekly Wage	\$917	\$1,120
Government (Federal, State, and Local)		
Average Employment	835	925
Average Weekly Wage	\$837	\$979
Total, Private Industry plus Government		
Average Employment	10,945	10,295
Average Weekly Wage	\$911	\$1,107

\$348,632,452 and a 2017 tax revenue of almost \$7 million.

Hudson currently has a civilian labor force of 14,574 people out of a total population of 24,682 (ACS 2011-2015). The per capita income is \$38,009, while the median family income is \$96,788 and the median household income is \$86,024. The low unemployment rate of 3.4% and the low poverty rate of 4.4% indicate a healthy economy.



Largest Business	Product/Service	Employees
BAE Systems	Signal analysis and jamming technology	678
Hudson School District	Education	571
Atrium Medical	Pharmaceuticals	400
APW Enclosures	Sheet metal fabrication & integration	300
Presstek	Printing, imaging technology	230
Mercury Systems	Defense electronics	200
Comcast	Cable television call center	105
Hudson Mills	Apparel, textile	100

As the chart above shows, these industrial parks serve as a major source of employment for Hudson and the Nashua Region. They also are a major source of tax revenue for Hudson, with a cumulative assessed value of

Profiles of Development Areas in Hudson

This section provides brief profiles of Hudson's existing business and industrial districts as well as areas identified as having potential for significant commercial and industrial growth. The areas identified as having significant growth potential are based on several factors including land availability, land use, and access to transportation networks. Existing business and industrial districts are labeled in blue and include an overview of existing conditions and a description of opportunities for expansion. Potential development areas are highlighted in purple, and include parcels that are currently vacant or underutilized. The development potential for each of these areas takes into account possible building area, potential property valuations, tax revenue, employment, and other factors. In some cases, both industrial and retail development scenarios are provided. It should be noted that commercial and industrial development types vary widely and potential impacts can vary considerably. These analyses are based on development scenarios that could be reasonably anticipated given existing development patterns and market conditions.

1 Continental Paving & Vicinity



Located off of NH 102 in between Londonderry and Litchfield, this area is characterized by a diverse mix of land uses including retail, office and industrial uses such as paving operations. Its location in a heavily travelled corridor in close proximity to Londonderry and Litchfield are strengths, however, future development potential is limited by land availability and natural constraints such as wetlands.

DEVELOPMENT POTENTIAL

- Additional Building Area: 121,783 sq. ft.
- Additional Property Assessment: \$7,535,730
- Additional Tax Revenue: \$148,605
- Additional Employment: 170
- Additional Traffic: 396 Average Daily Trips

EXISTING AREA PROFILE:

- Approximately 800 jobs
- 64 parcels totaling 404 acres
- Combined Property Assessment: \$67,311,651
- Total Building Square Footage: 583,749 sq. feet
- Combined 2017 Tax Revenue: \$1,327,386
- Zones: General, Business & Industrial
- Traffic: 2,626 Average Daily Trips



2 Brox Industries Property

EXISTING AREA PROFILE:

- 5 parcels totaling 592 acres
- Property Assessment: \$8,572,493
- Total Building Square Footage: 14,442 sq. feet
- 2017 Tax Revenue: \$169,050
- Zone: General



Brox Industries, Inc. owns five parcels comprising the largest contiguous site under common ownership in the northern section of town. The property, however, does not front on a state highway. Access is provided by local, heavily residential streets which could limit future development potential. The site currently includes a quarry, which processes hot mix asphalt and aggregates, though large areas are entirely undeveloped.

DEVELOPMENT POTENTIAL:

- Additional Building Area: 2,993,851 sq. ft.
- Potential Property Assessment: \$189,241,306
- Potential Tax Revenue: \$3,731,839
- Additional Employment: 2,789
- Additional Traffic: 9,733 Average Daily Trips
- Sewer Demand: 296,000 gpd

3 Clement Industrial Park

EXISTING AREA PROFILE:

- Approximately 1,000 jobs
- 64 parcels totaling 281 acres
- Combined Property Assessment: \$67,844,808
- Total Building Square Footage: 1,073,268 sq. feet
- Combined 2017 Tax Revenue: \$1,337,900
- Zone: Industrial
- Traffic: 4,790 Average Daily Trips



Located along NH Route 111 near the Windham border, the Clement Industrial Park is one of Hudson's designated Economic Revitalization Zones. There are a number of uses within the district including contractors and job shops which feed into larger construction and automobile-focused industries, municipal services and several single family residences. Though largely developed, a number of vacant parcels remain available.

DEVELOPMENT POTENTIAL

- Additional Building Area: 182,765 sq. ft.
- Additional Property Assessment: \$11,552,571
- Additional Tax Revenue: \$227,817
- Additional Employment: 170
- Additional Traffic: 594 Average Daily Trips
- Additional Sewer Demand: 24,783 gpd

4 Various Commercial Areas Throughout Town

EXISTING AREA PROFILES:

- Approximately 3,024 jobs
- 446 parcels totaling 1,097 acres
- Combined Property Assessment: \$428,030,989
- Total Building Square Footage: 3,369,735 sq. feet
- Combined 2017 Tax Revenue: \$8,440,772
- Zones: Business

Hudson plays a role as a commercial hub that draws both local and regional customers. The majority of the commercial areas are characterized by strip development with small

businesses that serve Hudson residents and immediate surrounding communities.

Hudson's main retail areas are primarily on Lowell Rd (NH 3A), with other notable areas within its Town Center, along NH 111, and within the Hudson Mall. Businesses like Sam's Club and Walmart serve as major regional attractions bringing in customers from Massachusetts. They also increase traffic volumes for the area (respective average daily trips of 5,369 and 9,148). Few development sites are available within existing business zoned districts though there is potential for expansion into General zones, particularly in south Hudson along Lowell Road.

5 The Friary



EXISTING AREA PROFILE:

- 1 parcel totaling 90 acres
- Combined Property Assessment: \$5,007,600
- Total Building Square Footage: 0 sq. feet
- Combined 2017 Tax Revenue: \$98,750
- Zone: General

This undeveloped parcel is located north of the Sagamore Industrial Park and has frontage along Lowell Rd and the Merrimack River. This site could serve as an expansion of the Sagamore Industrial Park since Friar Rd terminates at the border of the property (pictured left).

INDUSTRIAL DEVELOPMENT POTENTIAL:

- Additional Building Area: 781,830 sq. ft.
- Potential Property Assessment: \$52,616,160
- Potential Tax Revenue: \$1,037,591
- Additional Employment: 844
- Additional Traffic: 2,542 Average Daily Trips
- Additional Sewer Demand: 62,672 gpd

RETAIL DEVELOPMENT POTENTIAL:

- Additional Building Area: 556,335 sq. ft.
- Potential Property Assessment: \$62,613,448
- Potential Tax Revenue: \$1,234,737
- Additional Employment: 508
- Additional Traffic: 11,878 Average Daily Trips
- Additional Sewer Demand: 72,567 gpd

6 Sagamore Industrial Park



EXISTING AREA PROFILE:

- Approximately 2,700 jobs
- 56 parcels totaling 288 acres
- Combined Property Assessment: \$168,366,800
- Total Building Square Footage: 2,501,783 sq. feet
- Combined 2017 Tax Revenue: \$3,320,193
- Zone: Industrial
- Traffic: 8,133 Average Daily Trips

The Sagamore Industrial Park is Hudson's largest industrial district and its largest concentration of employment. The park is located just north of the Sagamore Bridge between Route 3A and the Merrimack River. There are a variety of businesses in the park, ranging from small companies to national corporations. The business park is mostly built out but has the possibility of expanding to nearby vacant parcels, such as the Friary property.

7 BAE



EXISTING AREA PROFILE:

- Approximately 670 jobs
- 1 parcel totaling 170 acres
- Combined Property Assessment: \$31,971,100
- Total Building Square Footage: 559,778 sq. feet
- Combined 2017 Tax Revenue: \$630,470
- Zone: Industrial

BAE Systems is a major employer in southern New Hampshire. It is a British multinational defense, security, and aerospace company. The Hudson campus focuses on research and development and is one of the Town's Economic Revitalization Zones. It is located on NH 3A near the Massachusetts border. Though considered a developed site, there is expansion potential.

8 South Lowell Rd. Properties



With its large contiguous parcels of vacant and underutilized land, direct access to Lowell Road (3A), proximity to the FE Everett Turnpike and potential availability of water and sewer, the South Lowell Road properties offer perhaps the greatest opportunity for both commercial and industrial development in Hudson and in the overall region. Market demand in the region is currently strongest for industrial type development, with particularly strong demand for warehousing & distribution. Industrial development also offers strong job creation potential with relatively high wages. The estimated 16,545 Average Daily Trips at buildout is relatively moderate, however it would maximize road capacity in the corridor and would result in significant increases in congestion, particularly during peak hours, without additional road improvements. Retail commercial development offers higher overall property values and therefore tax revenues, however, wage rates are significantly lower and current market conditions are less favorable for retail commercial uses. Though sufficient land area is available to support up to 3.6 million square feet of retail development (an area equivalent to 3.5 Pheasant Lane Malls) demand for that level of additional retail is not at all likely and the existing road capacity in the area could not support anything close to that level of development.

EXISTING AREA PROFILE:

- 7 parcels totaling 583 acres consisting of vacant or private recreationally used land
- Existing Property Assessment: \$4,584,689
- Existing Building Square Footage: 14,785 sq. feet
- 2017 Tax Revenue: \$90,410
- Zone: General

INDUSTRIAL DEVELOPMENT POTENTIAL:

- Additional Building Area: 5,064,521 sq. ft.
- Additional Property Assessment: \$340,842,263
- Additional Tax Revenue: \$6,721,409
- Additional Employment: 5,466
- Additional Traffic: 16,545 Average Daily Trips
- Additional Sewer Demand: 342,000 gpd

RETAIL DEVELOPMENT POTENTIAL:

- Additional Building Area: 3,603,814 sq. ft.
- Additional Property Assessment: \$404,596,003
- Additional Tax Revenue: \$7,998,353
- Additional Employment: 3,122
- Additional Traffic: 76,941 Average Daily Trips
- Additional Sewer Demand: 342,000 gpd

